

181900  
S.A.

**WILLOUGHBY & HOEFER, P.A.**

ATTORNEYS & COUNSELORS AT LAW

930 RICHLAND STREET

P.O. BOX 8416

COLUMBIA, SOUTH CAROLINA 29202-8416

RECEIVED

SEP 20 2006

AREA CODE 803  
TELEPHONE 252-3300  
TELECOPIER 256-8062

PSC ST

DOCKETING DEPT.

MITCHELL M. WILLOUGHBY  
JOHN M.S. HOEFER  
ELIZABETH ZECK\*  
RANDOLPH R. LOWELL  
K. CHAD BURGESS  
NOAH M. HICKS II\*\*  
M. McMULLEN TAYLOR  
BENJAMIN P. MUSTIAN

September 20, 2006

\*ALSO ADMITTED IN TX  
\*\*ALSO ADMITTED IN VA

**VIA ELECTRONIC AND U.S. MAIL**

The Honorable Charles L.A. Terreni  
Chief Clerk/Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive  
Columbia, South Carolina 29210

9/20/06  
led

SC PUBLIC SERVICE  
COMMISSION

2006 SEP 20 PM 3:04

RECEIVED

RE: Application of United Utility Companies, Inc. for adjustment of rates and charges  
for the provision of water and sewer service; Docket 2006-107-WS

Dear Mr. Terreni:

The purpose of this letter is to advise the Commission of the manner in which United Utility Companies, Inc. ("UUC") intends to proceed in the above-captioned matter as contemplated by the motion of Commissioner Mitchell made and adopted at the September 8, 2006, special agenda session.

According to the motion posted on the Commission's website, the parties' August 23, 2006, Settlement Agreement ("Settlement Agreement") has been rejected on the grounds that "the Commission has not been presented with sufficient information to satisfy itself that the proposed rates and terms of this settlement are just and reasonable." This motion further states that the parties have two options, namely, (a) "withdrawing their [settlement] agreement and stipulated testimony and proceeding to a final hearing in this matter" or (b) "propos[ing] their settlement in lieu of the Company's original application", and directs the parties to declare their intentions on how they intend to proceed by the close of business today.<sup>1</sup> For the reasons set forth herein, UUC hereby respectfully declines to exercise either option provided by the motion.<sup>2</sup>

<sup>1</sup> Based upon the Hearing Officer's interpretation of similar language in the Directive issued in Docket No. 2006-92-WS, UUC understands that the language of the option designated as "b" above is not intended to require UUC to withdraw its application in order to have this matter determined based upon the Settlement Agreement. Based upon this understanding, it is UUC's position that the parties have presented to the Commission all evidence that they believe is necessary for the Commission to issue an order on the Settlement Agreement, no additional evidence in the docket is needed inasmuch as UUC would not offer any evidence beyond that already presented to the Commission, and therefore no further hearing is necessary.

<sup>2</sup> Because there has been no order issued by the Commission or received by UUC in regard to this motion, UUC understands that the related "Directive" posted on the Commission website does not constitute any finding(s) of fact or conclusion(s) of law of the Commission from which UUC must seek rehearing or reconsideration at this time. Please advise me immediately if this understanding is incorrect. By not seeking rehearing or reconsideration at this

Continued . . .

RETURN DATE: N/A  
SERVICE: OK led

UUC disagrees with the grounds stated in the motion and believes that the Settlement Agreement establishes just and reasonable rates supported by sufficient evidence. Furthermore, withdrawal of the Settlement Agreement and proceeding with a final hearing effectively deprives the parties of their right to informally dispose of this matter.

If you have any questions, or require additional information, please do not hesitate to contact me. With best regards, I am,

Respectfully,

**WILLOUGHBY & HOEFER, P.A.**



John M.S. Hoefer

cc: Shannon B. Hudson, Esquire  
Nanette S. Edwards, Esquire  
Duke K. McCall, Jr., Esquire  
Rebecca H. Zabel, Esquire  
Jacqueline H. Patterson, Esquire  
George K. Lyall, Esquire